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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue
Implementation and Administration, and
Consider Further Development of, California
Renewables Portfolio Standard Program.

Rulemaking 18-07-003

**ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENT ON
IMPLEMENTATION OF ELEMENTS OF SENATE BILL 100 RELATING TO
PROCUREMENT UNDER THE CALIFORNIA RENEWABLES
PORTFOLIO STANDARD**

This ruling seeks comments from parties on implementing changes to Renewables Portfolio Standard program procurement quantity requirements in accordance with Senate Bill (SB) 100 (De León), Stats. 2018, Ch. 312. Among other things, SB 100 amended Public Utilities (Pub. Util.) Code Section 399.15(b)(2)(B), raising the procurement quantity requirement in each compliance period and establishing a procurement quantity requirement of 60 percent by 2030.

1. Background

Senate Bill (SB) 100 (De León), Stats. 2018, Ch. 312, enacted significant changes to California's energy policies, including several discrete changes to the renewables portfolio standard (RPS) program.¹ Prior to SB 100, the Commission implemented SB 350 (De Leon), Stats. 2015, Ch. 547, and set the rules on the timing of compliance periods, changes to the procurement quantity requirements, long-term

¹ The RPS program is codified at Pub. Util. Code §§ 399.11-399.32. All further references to sections are to the Pub. Util. Code, unless otherwise specified.

Footnote continued on next page

contracting requirements, excess procurement, and early compliance, among others.² This ruling will be limited to addressing the changes specifically set out in SB 100.

Under the RPS program, retail sellers must meet the procurement quantity requirements established for each compliance period. Procurement quantity requirements are defined by Section 399.15(b)(2)(B) and originally implemented in D.11-12-020. This ruling requests comments on implementing changes to RPS procurement quantity requirements mandated by the amendments to Section 399.15(b)(2)(B).

1. Comments

Comments should address each question presented. It is not necessary to reproduce the question, but responses should be numbered to match the questions addressed, or otherwise clearly identify the issue being discussed.

Comments should be as specific and precise as possible. Legal arguments should be supported with specific citations. Where appropriate and useful, quantitative examples should be provided.

Comments should be complete in themselves and should not incorporate by reference any other materials. Other materials necessary to the response should be attached, or, if the materials are available on a web site, the link to the materials should be given. All comments should use publicly available materials.

Parties may identify and comment on issues that are relevant to implementing the elements of SB 100 related to procurement under the RPS program but are not addressed in the questions below. Commenters doing so should clearly identify and explain the relevance of the additional issue(s).

Comments of not more than 10 pages may be filed and served not later than February 28, 2019. Reply comments of not more than five pages may be filed and served not later than March 11, 2019.

² See Decision (D.)16-12-040 and D.17-06-026.

2. Questions for Comments

SB 100 amended Section 399.15(b)(2)(B), raising the procurement quantity requirement in each compliance period and establishing a requirement of 60 percent by 2030. Furthermore, the Commission is to establish three-year compliance periods after 2030 that require retail sellers to procure not less than 60 percent of retail sales from RPS-eligible sources. The amended Section 399.15(b)(2)(B) provides:

In establishing quantities for the compliance period from January 1, 2011, to December 31, 2013, inclusive, the Commission shall require procurement for each retail seller equal to an average of 20 percent of retail sales. For the following compliance periods, the quantities shall reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016, 33 percent by December 31, 2020, 44 percent by December 31, 2024, 52 percent by December 31, 2027, and 60 percent by December 31, 2030. The commission shall establish appropriate three-year compliance periods for all subsequent years that require retail sellers to procure not less than 60 percent of retail sales of electricity products from eligible renewable energy resources.

1. In implementing SB 350, the Commission continued the “straight-line trend methodology” adopted in D.11-12-020 to monitor a retail seller’s progress toward compliance during intervening years of each compliance period from 2021 through 2030.³ Is there any reason the Commission should not continue the straight-line trend method in determining the targets for the compliance periods between 2020-2030 that have been modified by SB 100? If yes, please provide a method and a rationale for any proposed difference in treatment.
2. In implementing SB 350, the Commission determined that for each compliance period beginning with the 2031-2033 compliance period, each retail seller must procure not less than 50 percent of retail sales from eligible renewable resources, measured as an average over the compliance period.

³ See D.16-12-040.

The numerical expression of this requirement is:
MWh of RPS-eligible energy required = .50 (Year 1 of period retail sales + Year 2 of period retail sales + Year 3 of period retail sales), where retail sales are expressed in MWh.⁴

Pursuant to the amended Section 399.15(b)(2)(B), the Commission is to establish three-year compliance periods after 2030 that “require retail sellers to procure not less than 60 percent of retail sales” from RPS-eligible sources. Is there any reason for the Commission to change the method of establishing the procurement quantity requirements for compliance periods subsequent to 2030? If yes, please provide a method and rationale for any difference in treatment.

IT IS RULED that:

1. Comments of not more than 10 pages addressing the questions in this ruling may be filed and served not later than February 28, 2019.
2. Reply comments of not more than 5 pages may be filed and served not later than March 11, 2019.
3. In addition to service by electronic mail, paper copies of comments and reply comments must be promptly provided to Administrative Law Judge Nilgun Atamturk.

Dated February 11, 2019, at San Francisco, California.

/s/ NILGUN ATAMTURK

Nilgun Atamturk
Administrative Law Judge

⁴ D.16-12-040 at Ordering Paragraph 4.